

September 30, 2004

## **Sumitomo Chemical Agrees with Idemitsu and Mitsui to Increase Benzene Production**

Sumitomo Chemical Co., Ltd., Idemitsu Kosan Co., Ltd. and Mitsui Chemicals Inc. today announced an agreement to cooperate in resuming the operation of Idemitsu's Light Naphtha Reformer (LNR) unit at the company's Chiba refinery and off-taking the benzene produced by the unit.

1. Overview of the LNR Unit
  - (1) Location: Idemitsu's Oil Refinery in Chiba
  - (2) Benzene Production Capacity: 250,000 tons per year
2. Product Off-take
  - Sumitomo: 125,000 tons of benzene per year
  - Mitsui: 125,000 tons of benzene per year
  - Idemitsu: crude toluene and other byproducts of the benzene production process
3. Investment in the Facility: Approximately ¥8 Billion
4. Estimated Start of Operations: Mid 2006

The project matches the desire of both Sumitomo and Mitsui to establish a stable supply of feedstock for the expansion of their benzene derivatives businesses, with Idemitsu's desire to increase the profitability through the efficient use of its existing facilities and to further integrate its oil refining and petrochemical operations. The agreement of the three companies, all of which have adjoining plants in the Chiba area, will lead to a higher level of competitiveness for the area's petrochemical complex.